PET 10-3 Libya

Department of State

EXCISE TELEGRAM

262

SECRET 699

DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY CJ DATE 8/7/81
PORTIONS DENIED AS INDICATED

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50 12
ACTION AF-06

INFO OCT-01 SS-20 E-02 INR-06 L-02 PRS-01 NSC-10 NSCE-00
CIAE-00 NSAE-00 EUR-12 NEA-08 COM-02 INT-01 RSR-01
RSC-01 /072 W

115182

R 100834Z JUN 70
FM AMEMBASSY TRIPOLI
TO SECSTATE WASHDC 6416
INFO USINT ALGIERS
AMEMBASSY BEIRUT
AMEMBASSY LUXEMBOURG

S E C R E T TRIPOLI 1309

LIMDIS

C O R R E C T E D C O P Y (TEXT)

DEPT PASS CAIRO

SUBJ: SERVICE CONTRACTS FOR LIBYAN OIL

REF: STATE 85100

1. [redacted] B4

2. ONLY AREAS OF WHICH EMBASSY AWARE THAT MIGHT BE CONSIDERED SHUT-IN FIELDS, ARE SEVERAL SMALL DISCOVERIES IN WESTERN LIBYA, MOST PROMISING OF WHICH ARE IN GULF'S CONCESSION 66 WHICH HAS ESTIMATED PRODUCTION POTENTIAL OF [redacted] LESS SIGNIFICANT FINDS IN WEST ALSO MADE BY ESSO, PHILLIPS AND CFP SUBSIDIARY CPTL. GULF HAS BEEN B4

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UNDER PRESSURE TO DECLARE ITS DISCOVERIES COMMERCIAL (TRIPOLI 624, NOTAL), BUT, SO FAR, HAS SUCCESSFULLY RESISTED DOING SO. OTHER CONCESSIONAIRES HAVE RECEIVED MINISTRY PETROLEUM ORDERS TO RESUME EXPLORATION WITHIN 30 DAYS OR FACE SOME UNSPECIFIED ACTION. THIS DEADLINE HAS PASSED FOR SOME, BUT NO ACTION HAS BEEN TAKEN, ALTHOUGH THERE ARE UNCONFIRMED REPORTS MINISTRY NOW IS PREPARING TO THREATEN REVOCATION OF CONCESSIONS ON GROUNDS COMPANIES TECHNICALLY HAVE MET THEIR WORK OBLIGATIONS BUT HAVE NOT PURSUED EXPLORATION DILEGENTLY.

3. IT SEEMS UNLIKELY TO EMBASSY [redacted] REPORT WOULD RELATE TO OCCIDENTAL CONCESSIONS, SINCE OXY'S FIELDS HAVE NOT BEEN SHUT-IN BUT ARE OPERATING AT REDUCED RATES IMPOSED BY MINISTRY PETROLEUM. OXY REPORTS IT IS PRODUCING ABOUT [redacted] UNDER PRESENT FULES [redacted] B4 B4

4. EMBASSY THINKS IT IS LIKELY LARG IS EXPLORING FEASIBILITY OF CONTRACT OPERATION OF CEONCESSIONS IN WHICH NON-COMMERCIAL DISCOVERIES HAVE BEEN MADE. WE CANNOT YET ASSESS LIKELIHOOD OF REVOCATION OR FORCED RELINQUISHMENT OF THESE CONCESSIONS, BUT EMBASSY NOTES PETROLEUM U/S QIBLAAWI HAS TOLD EMBOFF THAT OBJECTIVE OF ORDERS TO DRILL, RECEIVED BY ABOUT 20 COMPANIES OF ALL NATIONALITIES, IS TO REVITALIZE CRIPPLED EXPLORATION ACTIVITY AND TO FORCE RELINQUISHMENT OF "INACTIVE" CONCESSIONS. GP-4.
PALMER

NOTE: NOT PASSED CAIRO BY OC/T.

DECLASSIFIED

SECRET